The regional dimension of the Lisbon Strategy:
A Dutch perspective on sub-national involvement.

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SUMMARY

The Lisbon Agenda is still too overloaded for the common man to oversee. It takes an EU expert to fully grasp the strategy. Shared hands, complexity and too many topic areas make the strategy too much of nothing. That does not mean that the strategy isn’t a good initiative, but democratizing it seems a mission impossible.

This thesis digs into the role of city networks in the drafting process of National Reform Programmes, aimed at making the EU the most competitive economy in the world. Dutch cities are not big enough to position themselves as an economic core (the place to be) on a European or even global scale. Therefore, they seek alliances with other cities in order to put themselves on the map.

City networks could be logical partners for the European institutions and national government in this process. After all, city networks have knowledge of local labour market conditions; delivery of local education and training facilities; responsibility for quality of transport links and other communications facilities; stimulating local and inward investment; enhancing local living/working environments etcetera. At present, city networks do not have any formal role in co-deciding on drafting the NRPs. They do not even have a formal consulting-task. Moreover, path dependency of the national government (referring to choice of partners that was made by the national government during the first-time draft) and the city networks themselves (limited scope of their competences and room to manoeuvre) limits the chance of the Dutch city networks to truly flourish as an important player in the Lisbon arena.

Moreover, city networks bring along a genuine legitimacy problem. In general, their actions are politically not accountable. Therefore they cannot contribute to democratizing the Lisbon process and they can hardly make a difference in bringing the citizens closer to the Strategy. A few years ago everyone agreed that the Lisbon agenda was overloaded. These days, it is still ill-structured and competences are shared over an enormous range of actors. Therefore a bottom-up logic of the Lisbon Strategy does not automatically lead to a more democratic outcome. The often heard claim that the inclusion of widest range of actors is necessary to make the strategy more democratic also has its downside.
It is a problem for city networks that they do not fit in any of the existing categories of authority that exist in Brussels. Policy learning is impossible if a relevant network/organisation that is open for such newcomers is non-present.
CONTENT

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>2</td>
</tr>
<tr>
<td>1. The origin of this research</td>
<td>3</td>
</tr>
<tr>
<td>1.1 Why the regional dimension of the LS is important</td>
<td>3</td>
</tr>
<tr>
<td>1.2 Knowledge gap</td>
<td>6</td>
</tr>
<tr>
<td>1.3 Research question</td>
<td>7</td>
</tr>
<tr>
<td>1.4 Sub-questions</td>
<td>8</td>
</tr>
<tr>
<td>1.5 Methods</td>
<td>8</td>
</tr>
<tr>
<td>1.6 Research process</td>
<td>13</td>
</tr>
<tr>
<td>1.7 Structure</td>
<td>14</td>
</tr>
<tr>
<td>2. The strategy in a nutshell</td>
<td>15</td>
</tr>
<tr>
<td>3. Regional City Networks</td>
<td>19</td>
</tr>
<tr>
<td>3.1 Regional city networks versus provinces</td>
<td>20</td>
</tr>
<tr>
<td>4. The Open Method of Coordination</td>
<td>21</td>
</tr>
<tr>
<td>5. Partnership</td>
<td>24</td>
</tr>
<tr>
<td>6. Multi-level governance and dual networks</td>
<td>26</td>
</tr>
<tr>
<td>7. National Reform Programmes</td>
<td>27</td>
</tr>
<tr>
<td>8. Path dependency</td>
<td>33</td>
</tr>
<tr>
<td>9. Why upward pressure from regions is necessary</td>
<td>35</td>
</tr>
<tr>
<td>10. Beyond the Nation: regional representation in Brussels</td>
<td>43</td>
</tr>
<tr>
<td>10.1 Policy Learning: an important feature of the OMC</td>
<td>45</td>
</tr>
<tr>
<td>Conclusions and recommendations</td>
<td>51</td>
</tr>
<tr>
<td>Appendix 1- The interview</td>
<td>53</td>
</tr>
<tr>
<td>Reference list</td>
<td>55</td>
</tr>
</tbody>
</table>
During the 2006 Dutch National Congress for Public Policy the emphasis was on the national and regional relationships with Brussels. The Lisbon Strategy was also mentioned many times during the debates. In answer to a question on how regional authorities cope with Lisbon goals a regional representative said: 'You are lucky if policy makers even know about the Lisbon Strategy in the first place. It is not law, just a guideline'. This answer was to be expected on the one hand. After all, European policy often does not seem to penetrate the minds of sub-national policy makers. On the other hand, the answer was quite flabbergasting. How can the Lisbon Strategy—the European dream—ever be successful if regional and local actors do not care about it? Therefore, this thesis is dedicated to the regional dimension of the Lisbon Strategy.

I want to thank my supervisors from the University of Twente and Münster. Much help was given by professor Groenendijk concerning content and methodological insights as well as patience. Professor Woyke’s supervision gives this paper a German and therefore truly European flavour. Moreover, my thoughts go out to my wife Marinne for all the support she gave me while I was wrapping up my work in the evening hours. I am also grateful to my parents for their support and giving me the chance to graduate at these two universities.

I could not have ever imagined the complexity of city networks and the multi-layered governance structure they operate in before I started working on this paper. A journey began that gave me lots of input for this thesis but also for many years to come. Therefore I hope that this paper will be an incentive for others to do research on regions in the European arena. As we shall see, there is much more to explore. This is hardly surprising with the continuously changing phenomena that we call EU.

Richard Pauw
3 January 2007
1. THE ORIGIN OF THIS RESEARCH

1.1 Why the regional dimension of the LS is important

The report from the High Level Group on the Lisbon Strategy (also known as the Kok report) identified many problems. After repeating -again- the underlying economic and social imperatives underpinning the Lisbon Strategy (hereafter LS), and considering how matters can best be taken forward, the report considers the reasons for the disappointing progress. The short answer provided is that failure is due to the inadequacy of the governance arrangements for the LS. One of the main problems was the lack of sufficient commitment and political will of the Member States to ensure that the strategy is implemented.

"More political ownership [of the Lisbon targets] is the precondition for success." \(^1\). And later this idea of ‘failed governance’ is further elaborated:

"Up until now national parliaments and citizens have not been sufficiently associated with the process, so that the pressure on governments has been less than it should and could have been. The same applies to social partners and other stakeholders. Closer cooperation between the various stakeholders is needed, who must commit themselves to the process of encouraging and supporting each other." \(^2\)

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And also:

“The open method of coordination has fallen far short of expectations. If Member States do not enter the spirit of mutual benchmarking, little or nothing happens.”

Worth noticing is that relatively little attention was given to regional and local players in the Kok-report.

Scott⁴ points out that the absence of a structured regional dimension risks excluding from the strategy a range of sub-state governments, administrations and economic stakeholders responsible for devising and delivering those economic policies 'locally' which will shape the overall rate of growth of output and employment across the EU. Socio-economic development actually occurs at the local level, yet there is no EU-wide discussion on the best-practice approach to including local economic players within the Lisbon process generally, or the OMC governance arrangement specifically. Instead, the LS is essentially a 'top-down' strategy. Moreover, the absence of a formal role for local economic governance and stakeholders to be involved in the Lisbon process risks weakening the legitimacy of the venture. The principle of subsidiarity⁵ asserts that decisions should be taken as closely to the citizen as possible. This principle is designed not only to ensure that policies are shaped according to differing local circumstances, but also to maximise the involvement of 'local' stakeholders in the setting the objectives and designing the delivery of economic policies.

Recent political and academic discourse about devolution has tended to stress the economic advantages of the transfer of power from national to subnational institutions. This 'economic dividend' arises through devolved administrations' ability to tailor policies to local needs,

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⁵ The subsidiarity principle is intended to ensure that decisions are taken as closely as possible to the citizen and that constant checks are made as to whether action at Community level is justified in the light of the possibilities available at lower levels. Specifically, it is the principle whereby the Union does not take action (except in the areas which fall within its exclusive competence) unless it is more effective than action taken at lower levels. It is closely bound up with the principles of proportionality and necessity, which require that any action by the Union should not go beyond what is necessary to achieve the objectives of the Treaty.
generate innovation in service provision through inter-territorial competition, and stimulate participation and accountability by reducing the distance between those in power and their electorates.  

City networks have had, so far, a limited role in the European multi-level governance, remaining the poor relatives of integration and depending on national power sharing controlled by the central level. However, the EU and national authorities increasingly see cities and city networks as key policy making partners to ensure both democratic legitimation and policy effectiveness in areas such as social inclusion, economic competitiveness and environmental standards. The EU, for instance, wants urban governance to produce improvement in economic development, environmental performance and quality of life, which would benefit the 80% of EU citizens who live in cities and large towns. For city leaders, it means that they have to find partners at all levels of the multi-level governance: maximising access to resources and influence by cooperating with upper tiers of government, capitalising on alliances at city level with business and other interests and answering real local needs by empowering local people and adapting national policies.  

In short, excluding sub-national actors could hamper economic policy development and poses serious threats to legitimacy. The aim of this paper is not to promote regional representation in European affairs, but to give a critical analysis.

1.2. Knowledge gap

There has been a lot of research on the Lisbon agenda. The big question that is still open to debate today is: Do we need it at all? However, for the sake of simplicity we assume that Europe needs the Lisbon Agenda. We do need it because we want to keep our European standard of living (i.e. social model). In general we do not want to have two jobs in order to pay the bills. We also do not want to give up our weekends. Neither do we want our health care and pensions to disappear totally nor partially. We have to be

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7 Carmichael, Laurence (2004), City Leadership in the European Multi-level Governance, University of the West of England, City Research Centre.
smarter (read: work more efficiently and be more productive) than the rest of the world. The EU is not doing a great job so far. The fact that the LS has not been very successful does not mean that Europe does not need it. Letting go of the strategy probably will also mean the end of Europe as we know it.

No Lisbon agenda can change demographic trends (stop ageing), nor can it change the declining capital/labour ratio due to insufficient investment growth. But structural reforms might counteract the impact of these two negative trends. Moreover, the performance gap between big and small member countries suggests that policy can make a difference.  

The LS is fraught with problems, as we will see later. That does not mean that Europe does not need this ambitious plan for the future. This paper does not question the necessity of the LS as such, but will deal with the its current structure. The issue that is at stake here is how city networks deal with the Lisbon Strategy and how they are involved in the process.

The LS includes so many (fundamental) policy fields that the role of sub-national authorities has not fully come to surface yet. However, it is very likely that their involvement is crucial for the strategies’ success. After all, it is by now generally accepted that regional authorities are well placed to devise and implement a range of policy instruments designed to enhance the economic growth and employment prospects within the region. While setting out the nature of the economic policy advantages of regions in this regard is beyond the scope of this paper. We have to keep in mind the following characteristics of city networks though: knowledge of local labour market conditions; delivery of local education and training facilities; responsibility for quality of transport links and other communications facilities; stimulating local and inward investment; enhancing local living/working environments; provision of dedicated business services; and a raft of measures which can help attract, or encourage the creation of, dynamic knowledge-based industries amongst other things. All of these matters are Lisbon issues.

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1.3 Research question

It is crucial to know if city networks are familiar with the Lisbon process at all and to what extent they are (and feel) involved. The LS is characterized by the Open Method of Coordination, but is it an open process or dictated from above?

This thesis will dig into the pro's and cons of including city networks in the drafting process of National Reform Programmes for the Lisbon Agenda. The Lisbon Strategy is narrowed down to National Reform Programmes because it encompasses too many topic areas to handle within the relatively short period of time available for the research (6 months). The emphasis of this thesis is on governance structure and extensive information about the policies themselves (innovation, agricultural renewal etc.) should be minimized.

Research question: Should regional city networks be included more in drafting the National Action Plans in order to reach the Lisbon goals?

1.4 Sub-questions

The open method of co-ordination (OMC) is an important aspect of the Lisbon Strategy. The decentralised nature of the method is often highlighted: the impetus is no longer supposed to come from the top, but from collective work bringing together “the Union, the Member States, the regional and local levels, as well as the social partners and civil society”\(^9\), emphasizing the “open” nature of the new method\(^10\). The OMC is characterized above all by the setting up of procedural routines: it is aimed at encouraging the pooling of knowledge, and includes defining guidelines and indicators, periodic monitoring of national reports, and searching for best practices. But are local and regional levels truly involved?

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\(^9\) Lisbon European Council (2000), paragraph 37
Sub-questions:

- What does the environment concerning the Lisbon agenda and National Reform Programmes look like for city networks?
- What role do city networks have in co-deciding on National Reform Programmes in the framework of the Lisbon Strategy?
- Why should regional city networks in Europe be involved in delivering the Lisbon Strategy?

It is utterly important to understand why regions should play a role in the first place. This question is crucial not only for the development of good multi-level governance in the European Union but also for the effective implementation of European policies at regional and local level in line with their practices, and will therefore be thoroughly examined throughout the paper. The overall motto is “European regions need the Lisbon strategy, but the Lisbon strategy also needs regions and local actors, who are continuously facing the everyday life of the citizens and the companies”.

1.5 Methods

Explanatory research

As the term suggests, exploratory research is often conducted because a problem has not been clearly defined as yet, or its real scope is as yet unclear. It allows the researcher to familiarize him/herself with the problem or concept to be studied. Sometimes the conclusion of such research is that the problem does not exist. The results of exploratory research are not usually useful for decision-making by themselves, but they can provide significant insight into a given situation. Although the results of qualitative research can give some indication as to the ‘why’, ‘how’ and ‘when’ something occurs, it cannot tell us ‘how often’ or ‘how many’. In other words, the results can neither be generalized; they are not representative of the whole population being studied. The latter is especially true in a European perspective. Hopefully this paper brings new insights on the role of regions in the European arena. However it will be difficult or even unwise to compare Dutch regions with regions in other countries on the basis of this paper.
The way in which Dutch regions (city networks) handle the Lisbon agenda and National Reform programmes was totally unclear in advance. It was even the question if they knew anything about it at all. The problem as set out by many scholars and organizations, namely the lack of influence in the Lisbon process, was not put in a Dutch perspective. There has only been limited research on the role of Dutch provinces in Europe and even less concerning city networks. Regional city networks have been underexposed in general.

The Lisbon process within the regions was mapped by closely examining and evaluating official documents from i.e. the European Institutions, Dutch national government, provinces and city networks. Interviews were held with relevant representatives from multiple layers of governance in order to take a peek behind the scenes.

As in any other country, several sorts of ‘regions’ can be distinguished in the Netherlands. To name a few: the provinces, city networks and geographical areas. In case of Lisbon it is interesting to look where the economic action is. This takes place at the city level. However, the Dutch cities are not big enough to compete on their own in the international arena. They seek alliances in the neighbourhood, which we call city networks. In some cases they cooperate on a voluntary basis. There are also cities that are connected by law. They have to work together in particular fields such as infrastructure and mobility.

There is a wide difference in the role that ‘regions’ play across the EU. This ranges from extremely powerful regions within federal Member States which command extensive policy competences touching on the Lisbon agenda at one end of the spectrum (e.g. Belgium, Germany, UK), to regions that are essentially administrative entities and whose purpose is to oversee the delivery of national policies at the other end of the spectrum (as in many of the new Member States). Accordingly it is impossible to make categorical statements about the appropriate role and responsibilities that regions themselves should take in the context of delivering the Lisbon objectives. However, to the extent that regions are excluded - nationally and within the EU policy domain - from
contributing to achieving the Lisbon goals, then undoubtedly this will make ultimate success in this venture more difficult.

Books have been written about what a region exactly is by definition. Regions come in all shapes and sizes. The word region has many faces. South-East England is just as much a region as Twente in the Netherlands. However, South East England inhabits 8 million people and Twente 600,000. South-East Asia is also often mentioned as a region in the media. It is highly unlikely that it makes sense to compare an enormous part of Asia with Twente. There are differences in surface, political power, inhabitants etcetera. Many scholars and organizations have written very interesting papers on Regions in Europe. In many cases the authors refrained from specifying what kind of regions they were talking about. That makes it hard to use such papers for comparative research. Therefore it is an absolute must to specify what the definition of a region is in this paper.

Definition of a region:
A cooperative network of cities, also encompassing an economic core region, which has a task to increase the competitiveness of the region in the national and global economy.

Provinces are also important in the Netherlands and relatively well informed about European policy-making and represented in Brussels. Therefore it would not be wise to leave them unnoticed in this paper. However, provinces do not represent economic core regions even though they can contribute to enhancing the economic climate of a region (and regional city network). A province represents the ‘bigger picture’ of the geographical area that it encompasses. A province however is not equipped well enough to represent economic core regions (city networks) in their battle for economic growth and competitiveness. That is exactly why more and more city networks are opening up their own offices in Brussels, alongside the provincial ones. Another reason why regional networks were given preference over provinces is because citizens seem to feel more connected to city networks than to provinces. From that perspective one could argue that city networks are more suited to bring the LS closer to the people than provinces.
As a starting point local and regional actors that are occupied with the ‘Lisbon game’ in the Netherlands were identified. Four city networks were selected:

- Network City Twente (Netwerkstad Twente)
- City Region Arnhem Nijmegen (Stadsregio Arnhem Nijmegen, formerly known as KAN)
- Region Vision Groningen Assen (Regio Groningen Assen)
- Tripool, region of Southern Limburg
Picking the city networks is not an easy task even though there are not even that many within the Netherlands. The four city networks were chosen because:

- All four city networks have approximately the same number of inhabitants;
- All four city networks have certain economic clusters in which they can excel;
- The four city networks are more or less comparable in economic output;
- The four city networks are more or less comparable in geographical size;
- All four city networks are cooperative bodies between cities that have competences in the economic field;
- The four city networks are spread throughout the country;
- All four city networks are trying to get out of the shadow of the Randstad area. Neither of the four city networks is part of the Randstad in the west of the country, which arguably has some privileges because it is in proximity of The Hague and has an enormous economic value.
1.6 Research process

The desk research was divided into three phases. First a better understanding of the Lisbon Strategy was the most logical point of departure. The second phase was to see why regional authorities should play a role in the Lisbon process. The third phase was to see what the perspective of the multiple authorities was concerning regional involvement. The interviews took place after these three phases.

Phase 1

The Lisbon Strategy is tricky to do research on because the strategy itself and its environment is constantly changing. Many things are mixed to form ‘the European dream for the future.’ A general understanding of the specific background and goals of the LS is of course a necessary prerequisite for any paper on this topic.

It is still quite a mystery how the OMC—one of the main features of the process—exactly works at the national and supranational level. It is probably not surprising that the academic world neglected the role of the sub-national level, while it is not fully clear how the ‘big players’ played (and are playing) the game. Because the OMC is a process and is thus evolving constantly, the debates on the role of national and supranational actors are unlikely to disappear. Some scholars have nevertheless delivered excellent work on the role of actors that are lower in the EU decision-making arena.

Phase 2

Some argue that we are living in a Europe of the Regions. We have to ask ourselves why regions are important, in this case referring to their contribution to the economy.

Phase 3

Comparing official documents can give a nice helicopter view on the different standpoints of the actors involved in the Lisbon Process. Official documents from EU institutions and interest groups such as the European Commission, Committee of the Regions, Dutch ministries, Dutch Provinces, Eurocities, Council of European Municipalities and from the regions themselves were closely evaluated.
The interview
The interviews were conducted as face-to-face-conversations. The challenge in such interviews is to keep the difference between fact and opinion clear in your questions. (Please read Appendix I for further details about the interviews).

1.7 Structure
Coming up with a short overview of the main features of the Lisbon Strategy is crucial for understanding the meaning behind this paper. The first three chapters will cover the first sub question concerning the environment in which city networks operate (or are unable to operate). A short description of the LS is given as a starting point. It will presented in a nutshell because too much background information will distract us from the key issues, namely: city networks, multi-level governance, democracy and legitimacy. We will dig into the role that city networks have in co-deciding on drafting the National Reform Programmes in chapter 6, 7 and 8. The last two chapters deal with the importance of including city networks, but also with the downsides of city networks.
2. THE STRATEGY IN A NUTSHELL

In its March 2000 Lisbon Summit, the EU set an ambitious target for itself: the EU would become the most competitive and dynamic knowledge-based economy in the world over the next decade. The goals of the Lisbon agenda have already been downsized and one could argue that the EU has not done itself and its image any good by not living up to its promises. Still the Lisbon agenda reflects the growing awareness, in Europe and elsewhere, that the ability to acquire and use knowledge is increasingly becoming a key factor in determining the competitiveness of a country’s economy. It may also well mean the difference between prosperity and poverty, both between and within countries and regions.

The Lisbon strategy aims at encouraging the development of information technologies and establishing a climate favourable for innovation while simultaneously speeding up the removal of obstacles to services and to the liberalisation of the transportation and energy markets. As part of the same impetus, it has stressed the necessity to modernise the European social model by increasing employment, reforming the social protection systems in order to confront the ageing population, and by struggling against social exclusion.

Shortly after the Lisbon Summit, the EU was lagging behind Japan and the United States. These days China is of course also a major challenger. By the end of 2006, the Chinese have spend more on R&D than the Japanese. China has become the biggest spender after the US. Statistics from the European Commission show that China still had a lower intensity (R&D expenditure as % of GDP) in 2003, but it grew at 10% a year between 1997 and 2002. Research by the OECD\textsuperscript{11} shows that already in 2003, China had the world’s second largest number of researchers behind the US. Is the EU engaged in a hot pursuit for pole position? Not exactly. Although the European Commission recently proposed to increase its expenditure on R&D significantly from 2006 till 2013, bad news

came from the Member States. Instead of moving up a gear for the coming period, they wanted to cut down on EU expenditure. That was the final blow to extra investments in R&D. An absolute shame, considering the extra investments might have triggered the private sector to invest in innovation on the European continent for a change.

The former example reinforces the intergovernmentalist logic that Member States are still the most important players in the European Arena. The Dutch regions started a rebellion against their national governments because they saw their precious European funds disappear. The Association of Netherlands Municipalities, the Association of the Provinces in the Netherlands, the G4 (four largest cities in the Netherlands: Amsterdam, Rotterdam, The Hague and Utrecht) and many others started lobbying for funds/money nationally. They wanted to use the money that the National government ‘saved’ in Brussels for regional projects but were unsuccessful. It went straight into the treasury. Danuta Hübner, Member of the Commission responsible for Regional Policy and the Lisbon Agenda said “The Commission has the desire to see the EU budget contribute more effectively to the realisation of the Lisbon agenda. I believe that the Union, and especially our national governments, need to listen to what the regions themselves are saying. We in the Commission have received around 300 contributions to the major debate that was launched in 2001 on the future of regional and cohesion policy. There is,
in particular, overwhelming support at regional level for the Commission’s proposals\textsuperscript{12}. The alliance of regions and Commission is clearly still not able to \textit{overthrow} national governments.

Ian Begg\textsuperscript{13} already observed that it is in domestic political economy that the main challenges lie and the history of the Lisbon strategy does not afford much confidence that Member States will pay much heed to the demands from “Brussels” for a coordinated response.

In their brief survey of the literature Jones & Williams\textsuperscript{14} conclude that the social return on R&D is likely to exceed 25%. Given that a normal rate of return on investment is often set equal to 10%, this is high. Positive externalities explain that the return on R&D is higher than normal: investment by one firm increases not only productivity of that firm but also of other firms, within or outside the same sector and within or outside the same country. The large difference in return prompts Jones & Williams to conclude that the US should spend more on R&D. In fact, much more: they claim that the US should quadruple its expenditure. From this perspective, the Lisbon target that the EU should increase R&D expenditure from roughly 2 to 3% does not even seem ambitious.

The indicators for R&D expenditure are dubious. You could ask yourself why every Member State should invest 3% of GDP in research and development. It does not make sense that a country such as Malta has to spend relatively the same amount of money in R&D as Finland. As Pisani\textsuperscript{15} puts it:

The problem with Integrated Guidelines is not their complexity, however. It is that they offer no direction as to which of the 24 guidelines should be pursued as priorities by individual member states. The same prescriptions are offered to all countries rich and poor, technological leaders and laggards, inclusive societies and those that are

\begin{itemize}
\item \textsuperscript{12} LSE (2005), Regional Policy and the Lisbon Agenda: Challenges and Opportunities, abstract from meeting at the London School of Economics on 3 February 2005
\item \textsuperscript{13} Begg, Ian (2005), Do we really need a Lisbon Strategy?, Intereconomics
\item \textsuperscript{14} Jones, C.I. and J.C. Williams (1998), Measuring the social return to R&D, Quarterly Journal of Economics, Vol. 113
\item \textsuperscript{15} Pisani F., Sapir A. (2006), Last Exit to Lisbon, Bruegel
\end{itemize}
unemployment–ridden. This creates the potential problem that there might be no priorities at all, and makes Commission evaluation of the National Reform Programmes (NRPs) very difficult.

Bottazzi\textsuperscript{16} argues that the weakness of R\&D and the slow accumulation of knowledge in the EU is probably a major reason why Europe has failed to catch up with the US productivity performance during recent decades. But the emphasis of the Barcelona Council on the spending target for R\&D could be misplaced as the question is not so much one of increasing the level but rather of enhancing the efficiency of R\&D in Europe. After an examination of various potential constraints on innovative entrepreneurship, Bottazzi claims that the enforcement of competition policy, the introduction of a European patent, adaptations of the tax systems in favour of entrepreneurship, a reduction of red tape, the adaptation of bankruptcy rules and the easing of finance for new ventures are all welcome. She argues, however, that actively subsidizing investment by venture capitalists may not necessarily deliver the desired results. In fact a large part of European venture capital finds it way to the American capital market and thus does not necessarily benefit innovation in Europe.

Consequently, policy measures aimed at enhancing the efficiency and productivity of R\&D in Europe should focus on the level of knowledge of workers and the capacity of entrepreneurs to translate scientific excellence into viable technological innovation. As Botazzi points out, setting a guideline of R\&D expenditure amounting 3\% of GDP will not be the key to success, even if all Member States live up to it.

There are problems with indicators, an European patent is missing and there is also a lack of political will. On top of that there is low enforceability of the Lisbon goals due to ‘soft law’. Moreover there has been hostility of Member States against the original services directive. The Commission underlined the importance of the services directive:

\textsuperscript{16} Laura Botazzi (2004), R\&D and the Financing of Ideas in Europe, CEPS Working Paper No. 203, Centre for European Policy Studies
“Services are omnipresent in today’s economy, generating almost 70% of GNP and jobs and offering considerable potential for growth and job creation. Realising this potential is at the heart of the process of economic reform launched by the Lisbon European Council and aimed at making the EU the most competitive and dynamic knowledge-based economy in the world. It has not so far been possible to exploit fully the growth potential of services because of the many obstacles hampering the development of services activities between the Member States.”

We can conclude that the Lisbon process is fraught with problems. This is something to keep in mind while studying the LS at the regional level. Regions are the economic engines that can ‘carry’ the Lisbon process. At least until now, they are not the ones who dictate the policy and therefore they remain highly dependent on the rules and policies set by the Member States and institutions in Brussels.

3. REGIONAL CITY NETWORKS

Intergovernmental relations in regional city networks differ from those in less developed regions simply because there is no formal EU policy for city-regions. Cities play a role in some European infrastructure projects like the Trans-European Networks of Communication and Transport, or in urban social and employment policies, while the financial support of infrastructure policies – as part of cohesion policy – goes mainly to peripheral regions. Regional city networks, understood as ‘growth centres’, are hardly explicitly targeted by ‘positive’ European regional policies. However, cities are subject to the negative-integration logic of market competition. Europe is widely perceived as a major challenge by the city-regions. Therefore Network City Twente, City Region Arnhem Nijmegen and Tripool have recently opened an office in Brussels. While these areas tend to benefit from the concentration effects of economic development, they also see a strong need to compete for investments and jobs by pursuing ambitious regional development projects.


Faced with this challenge, regional city networks have at least two main tasks according to Arthur Benz et al. First, they need to achieve an intraregional, mobilizing consensus on their developmental projects. One important aspect is inter-local co-operation, which is often hampered by distributive conflicts and political rivalries between central cities and suburban local governments. Furthermore, the involvement and mobilization of private actors is a crucial prerequisite for developmental projects. Second, city-regions need to organize external interest representation and cooperation. There is the horizontal aspect of co-operation with other European city-regions, which allows the development of skills and the exchange of experience. Sometimes partnerships with other regions provide access to European funds designed to encourage these inter-regional and inter-city networks. Then, there is the vertical aspect of interest representation vis-à-vis higher levels of government. This latter dimension, however, is much less developed than in the case of regions eligible for structural funding. The first task is the most difficult one. In any given city-region, internal divisions and distributive conflicts between the main city and the peripheral municipalities prevail, and it is hard to reach a broad regional consensus on a strategy for external interest representation. The interviews confirm that this is also the case in Twente, Tripool and Groningen Assen.

3.1 Regional city networks versus provinces

Although there is healthy competition between city networks and provinces in their struggle for power (mainly referring to informal influence because formal powers are assigned by law), they also complement each other.

Regional city networks represent an economic core region and generally do not have an interest in increasing the chance for success of a ´gazelle´ company that is situated outside this core for instance. Provinces do make a contribution to such companies’ success.

19 Benz, Arthur and Eberlein, Burkard (1999), The Europeanization of regional policies: Patterns of multi-level governance, Taylor& Francis
National representatives were the only ones around in Brussels for decades. Many years ago more and more regions became active in the European arena because they did not feel themselves heard enough. In the Dutch case it were the provinces that started *playing the game*. The G4 also began lobbying at the supranational level. None of the Dutch cities is big enough to take a stand in Europe on its own. They need to cooperate with others. These days, many regional city networks are also active in Brussels because they claim that their interests were not well taken cared of by the national government nor the provinces. The Dutch cities are also represented by the Association of Dutch Municipalities (VNG). The latter organization is helpful to enhance the inclusion of cities in general. It does not help cities to reach their individual goals/targets because it represents all Dutch cities as a whole.

It is important to stress that city networks are not entirely independent from the provinces. In many cases a representative from the province is also member of the board of the city network. This prevents serious clashes between provinces and city networks but also hampers the freedom of the latter.

**4. THE OPEN METHOD OF COORDINATION**

The Open Method of Coordination (OMC) is a combination of national policy and informal European coordination, where decisions are based on consensus. The OMC brackets political conflict as it does not impose a single European vision. Union-wide guidelines are translated in quantitative and qualitative indicators for individual member states. Taking country-specific differences into account, these guidelines are translated into national policies. The Union participates in the process, as periodic monitoring, evaluation, and peer review take place. The OMC does not want to impose one, single standard on all member states, but takes into account the diversity among them. Following the principle of subsidiarity it leaves responsibility with the member states whenever possible. It is often referred to as a “third way” between laissez faire and coordination.
Rodrigues\textsuperscript{20} clarifies the OMC itself as follows:

“The purpose of the open method of coordination is not to define a general ranking of Member States in each policy, but rather to organise a learning process at European level in order to stimulate exchange and the emulation of best practices and in order to help Member States improve their own national policies."

A comprehensive definition of the OMC is given by Vandenbroucke\textsuperscript{21}

“Open coordination is a mutual feedback process of planning, examination, comparison and adjustment of the policies of [EU] Member States, all of this on the basis of common objectives.”

It can be observed from the quotes mentioned above that many scholars only examine Member States and European institutions in the OMC process. Policy learning should not be limited to national governments. As we will see later, regions are also very much interested in policy learning.

The OMC accommodates diversity among member states and the process has been allowed to spread to new areas. Currently, the method is employed for coordination of general economic policy (by means of the Broad Economic Policy Guidelines or BEPGs), in the European Employment Strategy and for the coordination of policies on social inclusion, innovation, education, pension systems, etcetera.

The open method of coordination uses benchmarking as a technique, but it is more than benchmarking. It creates a European dimension and makes political choices by defining European guidelines and it encourages management by objectives by adapting these European guidelines to national diversity. The open method of coordination is perceived as a concrete way of developing modern governance using the principle of subsidiarity.

\textit{“The decentralised nature of the method is often highlighted: the impetus is no longer supposed to come}

\textsuperscript{20} Rodrigues Maria João (2005), An overview of the Lisbon Strategy-The European Agenda for Competitiveness, employment and social cohesion, Renner Institut

\textsuperscript{21} Vandenbroucke, F. (2002). Sustainable Social Justice and Open Coordination in Europe, Oxford University Press
from the top, but from collective work bringing together the Union, the Member States, the regional and local levels, as well as the social partners and civil society” 22, emphasizing the open nature of the new method23.

The open method of coordination can foster convergence on common interest and on some agreed common priorities while respecting national and regional diversities. It could be an inclusive method for deepening European construction.

The European Commission can play a crucial role as a catalyst in the different stages of the open method of coordination namely by: presenting proposals on European guidelines, organising the exchange of best practices, presenting proposals on indicators, supporting monitoring and peer review.

The open method of coordination can also become an important tool to improve transparency and democratic participation. It remains to be seen if city networks can foster transparency and democratic participation.

The European Commission has little legal power to enforce the reforms necessary to reach its economic ambitions. Much depends on the willingness of member states to carry out policy changes. This is where the regions come in. One could argue that regions can put upward pressure on their national governments to carry out policy changes. Therefore, the Commission tries to stimulate the participation of regions in various ways. One can agree with Mr. Barroso when he concludes: “Delivery is the Achilles heel of the Lisbon strategy”24. This problem is now fully recognised by the European Commission and is one of the driving forces behind the latest proposals for revitalising the Lisbon process. One proposal was to develop national reform programmes, drawn up by the national governments and discussed with the national parliaments. This should avoid the

22 Lisbon European Council (2000), paragraph 37
problem of Member States postponing the implementation of difficult changes to their economies and rather waiting for other member states to take action.

5. PARTNERSHIP
The Lisbon agenda encompasses a wide range of policy fields and actions. Mobilisation and partnership will be essential to ensure the legitimacy, transparency and effectiveness of reforms and increase the sense of ownership of the Lisbon strategy. To this end, the European Council invited the Member States to hold consultations on these programmes with all stakeholders at regional and national levels, notably parliamentary bodies in accordance with each Member States’ specific procedures. In developing the national reform programmes, it will therefore be important to mobilize public authorities at national, regional and local level, according to their respective areas of competence, and to promote dialogue and partnership between all relevant bodies.

Traditionally, the debate on partnership working has focused upon horizontal partnership (on achieving effective partnership working amongst partners operating at the same territorial level). Debate about vertical partnership (between different tiers of governance) is less well developed. Yet vertical partnership is particularly important for major cities for a number of reasons.

First, to an extent that is not true for smaller urban areas, a key strategic issue for major cities is their role within their region, within the national economy, and within the global economy. To achieve a viable, sustainable role at these levels, city governments need strong vertical partnerships with regional institutions, with national Government, and with the European Union. The focus for this partnership will primarily be the long term, economic competitiveness of the city, and will be concerned with, for example, strategic transport infrastructure, broad strategy for the housing and labour markets, the development and location of major facilities, etc. It is vital to the future vitality of a city, regional and national economies (and to the European Union) that all tiers of government recognise the key role of cities.
After reviewing the first half of the Lisbon strategy, Mr Barroso has put forward several proposals that should increase ownership of the Lisbon strategy among the member states. The National Reform Programmes were born, in which targets and actions are made explicit. Also, the member states should choose a ‘Mr or Ms Lisbon’, who is responsible for the progress towards the targets. Why should there only be a Mr. or Mrs. Lisbon on the national level? After all, such a person would need ‘relatives of the Lisbon family’ in the region to talk to. It makes perfectly sense to have a Mr/Mrs Lisbon on the regional level too, who can serve as a sounding board and representative of the region for all Lisbon affairs. The appointment of such a person is perceived as a step too far for most regional city networks. The interviews learn us that a Mr. Lisbon was in place in only one explicit case (Twente). Appointing someone is one thing, being known to others is a different story. The Dutch national government has crowned Mr. Oosterwijk from the Ministry of Economic Affairs as Mr. Lisbon. It is disappointing that neither of the regional representatives knew about his appointment.

There are certain differences in the ways regional city networks try to gain influence. Tripool for instance joins forces with the Euregio because there are strong family ties between Aachen and Southern Limburg. Moreover, Tripool positions itself as a part of the knowledge Triangle Eindhoven-Leuven-Aachen. The other three city networks are also part of a Euregion because they all boarder with Germany. In these three cases however, the boarder seems much more present. That does not mean that these regions are not working together with their Euregions. Assen-Groningen is desperately trying to position itself as the connection between the Randstad and Eastern Europe (a dubious move because Bremen-Hamburg seems more suitable for that) and tries to enhance its cross-national network for that purpose. Netwerkstad Twente focuses more on the alliances with the private sector and tries to exploit the image of an innovative region and the network (political as well as economic) that came with it. City Region Arnhem Nijmegen also has formal powers which are protected by law (so called framework legislation). The region tries to make optimal use of their direct connections with the national government. Its formal power is mainly related to transport/traffic. The region realizes that it can also use its connections for different purposes.
Of course the choice of partner varies, depending on the intended goal that lies ahead.

6. MULTI-LEVEL GOVERNANCE AND DUAL NETWORKS

As multi level governance authors have noted, regions can now potentially mobilize Commission support against their own national governments, and vice versa. But crucially, regions can and do also mobilize their national governments against the Commission, and vice versa. According to Ansell et al.\textsuperscript{25} the overall pattern is not that of three levels of actors engaged in policy-network cooperation, but of constantly shifting alliances within the triad.

This schematic overview of the dual networks triad is helpful, but at the same time troublesome. It shows us the existence of shifting alliances but does not tell us anything about the power relationships within the triad. The scheme suggests that all players are equal. Moreover, the power relationships vary from policy area to policy area. In this paper it is argued that regions are by far not an equal player in the triad.

\textsuperscript{25} Ansell C.K., Parsons C.A., Darden A. (1997), Dual Networks in European regional development policy, University of California.
While we agree that states enjoy less control over EU politics than they once did, they remain central actors. Both sub and supranational actors have an interest in keeping it that way. Precisely because no two levels of EU governance will always have shared interests over time, they will all defend their ‘dual networks’. But the qualitative development – the growing involvement of sub- and supranational authorities in the distribution of the structural funds – has been driven, not by national governments, but by the European Commission. Mostly through functional arguments for the need for transnational co-ordination of regional policies, the Commission has steadily expanded its own discretion. At the same time – and also largely through functional arguments – the Commission has successfully pushed for a sub national role in European regional policy.

7. NATIONAL REFORM PROGRAMMES

One of the main features of this paper is the drafting of these National Reform Programmes. Most people have their own ideas on what an NRP is. The Integrated Guidelines as adopted by the Council on the basis of the Commission’s proposal are the starting point of the first cycle of the Lisbon process. These guidelines include economic, social and to a lesser extent environmental dimensions (environmental issues were scrapped from the agenda because it was overloaded). Based on these guidelines the Member States draw up their National Reform Programmes (NRPs).

A description of what a NRP is all about is given below. Specifically and according to the March 2000 Presidency Conclusions of the European Council in Lisbon, it involves:

- fixing guidelines for the Union combined with specific timetables for achieving the goals they set in the short, medium and long terms;
- establishing, where appropriate, quantitative and qualitative indicators and benchmarks against the best in the world, which are tailored to the needs of different member states as a means of comparing best practice;

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• translating these EU guidelines into national/regional policies by setting specific
targets and adopting measures, taking into account national and regional differences; and
• monitoring, evaluating and undertaking peer review, organised as mutual learning
processes (which is pretty much non-existent).
The last two issues are most relevant to the questions at stake in this paper.

Within each OMC arena there are two sub-arenas: the EU and the national. The OMC
agendas (e.g. common objectives, targets/ timetables, indicators) are agreed upon in the
EU arena, and the development of their national reform programmes (NRPs) occurs in
the national arena, which is usually coordinated predominantly by one Ministry, which
should coordinate the NRP process with other governmental and non-governmental
actors (e.g. other ministries, parliament, regions, social partners, and NGO’s) that are
“relevant” to the agenda. The Ministry of Economic Affairs takes the lead in the
Netherlands. It is the brain and engine behind the NRPs and gives information to the
Ministry of Home Affairs which disseminates the information to lower levels of
government. The Ministry of Home Affairs engages in Lisbon dialogue with the regions.
The Ministry of Social Affairs is also involved concerning employment and other social
issues.

While talking to representatives from the regions, it became apparent that Peaks in the
Delta is the main policy document for competitiveness and innovation for regional city
networks. The policy paper describes the national government’s economic agenda for six
Dutch regions. Much of the flat Delta that forms the Netherlands is punctuated by
comparative regional advantages (‘peaks’): top research institutes, innovative
enterprises, public-private partnerships, fruitful collaboration etcetera. The Dutch
government wants to exploit these regional differences, since the investment conditions
in Dutch regions have the potential to put the Dutch among the front runners in a
competitive global economy.
Over the last few years, Dutch international competitiveness has clearly been weakening. A small open economy like the Dutch needs an internationally competitive investment climate based on:

- efficient mainports;
- more accessible urban centres, centres of employment and mainports;
- a labour force with relevant skills;
- an adequate supply of sufficiently attractive locations in which to live and work.\(^{27}\)

A high quality business investment climate is particularly crucial for the international competitiveness of knowledge-intensive businesses basic employment.

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\(^{27}\) Van Winden, Willem (2006), Making Cities work for the Lisbon Agenda? New Policy Frameworks in Finland, France and the Netherlands, European Institute for Comparative Urban Research
Regional policy in the Netherlands has long been focused on promoting economic development and growth in rural and peripheral areas in the Northern and Eastern parts of the country. Furthermore, *policy aimed to spread economic activity away from the densely populated Randstad area, to reduce the negative external effects of concentration*\(^{28}\). Still, the support of lagging regions—especially the rural north—absorbs the lion’s share of the budget of regional policy.

Peaks in the Delta marks a significant shift in this orientation. Regional policy has become an instrument to promote national economic growth in the knowledge-based economy: “To promote national growth, instead of reducing regional inequalities we need to capitalize on the comparative advantages of regions: the peaks. The new criterion for regional investments by the national government is the return for the national economy”\(^{29}\).

The idea is to focus regional investments of the national government on a small number of promising regions (each consisting of several municipalities) in the country, and to put an end to the traditional financial support for the peripheral and predominantly rural Northern part of the country. According to the national government, such promising regions should have the following characteristics (p. 41):

- The presence of an above-average number of internationally oriented and innovative companies
- A high-level public knowledge infrastructure.
- The presence of strong regional innovation networks, i.e. linkages between firms, knowledge institutes and (semi) public institutions

On the basis of these criteria, several potential “hotspots” have been identified: 1) the Northern part of the Randstad (including Amsterdam, Haarlem, Almere and Schiphol airport) as an international service centre, 2) the Southern part of the Randstad (including Rotterdam and its port, The Hague, and Leiden); 3) the industrial South-

\(^{28}\) Lambooy, J.G. (1992), Regional economic dynamics: an introduction into economic geography, Coutinho
Eastern part of the country (the most pronounced high-tech region of the country), with Eindhoven, as main centre, and 4) the eastern part of the country (with several universities and some high-tech clusters) 5) the North of the Netherlands with some high tech clusters.

**Peaks in the Delta versus NRPs**

The outcome of the interviews learns us that there is discrepancy between Peaks in the Delta and the National Reform Programmes. The latter is set up by the national government, G4 and provinces. City networks do not have any influence as far as the draft of NRPs is concerned. Peaks in the Delta however, is a process of regions and the national government. The provinces have complained about their limited influence during the construction of Peaks in the Delta. They consider it as something that has been *rapped down their throats*. For regional representatives Peaks in the Delta is *the policy* for Lisbon affairs, whereas the NRP is the leading document for provinces.

*Close examination of the NRP and Peaks in the Delta learns us that these two policies overlap to a large extent. The main difference is that macro-economic issues are excluded from the Peaks.*
One could argue that overlapping policies and competences do not necessarily have to be a problem, as long as they contribute to reaching the Lisbon targets. Unfortunately, it does not make it any easier for the local and regional policy-makers (and citizens) to comprehend Lisbon affairs. The process is totally not transparent because of shared/overlapping competences, many actors and overlapping policies.

Thus Peaks in the Delta contributes to reaching the Lisbon targets. The Peaks are shaped outside the European Arena. The influence of the Commission is very limited and it cannot assess Peaks in the Delta as is the case with the NRPs.

### FIND THE DIFFERENCES

<table>
<thead>
<tr>
<th>Content of Peaks in the Delta</th>
<th>Content of NAP 2005-2008</th>
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<tbody>
<tr>
<td>Attracting new businesses</td>
<td>Employment (special attention for labour participation)</td>
</tr>
<tr>
<td>Improving business locations</td>
<td>Productivity</td>
</tr>
<tr>
<td>Mainports</td>
<td>Mainports</td>
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<tr>
<td>Mobility and infrastructure</td>
<td>Mobility &amp; infrastructure</td>
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<tr>
<td>Innovation*</td>
<td>Innovation/R&amp;D</td>
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<tr>
<td>Urban economy</td>
<td>SME policy</td>
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<td>Tourism</td>
<td>Education(mainly counter number of drop-outs at school)</td>
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<tr>
<td>Structural funds/Regional policy</td>
<td>Energy</td>
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<tr>
<td>Regional development companies</td>
<td></td>
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<tr>
<td>Energy/technology</td>
<td>Cutting red tape</td>
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* Broad outlines of the Innovation Memorandum

1 To improve the climate for innovation by:
   • increasing the budget of the Research and Development (Incentive) Act (WBSO) by nearly 30% to stimulate private R&D;
   • encouraging R&D partnerships;
   • taking steps to counter the risk of a shortage of knowledge workers.

2 To promote a more dynamic economy (more innovative businesses) by:
   • improving conditions for technology start-ups;
   • exploiting the potential of SMEs by improving the transfer of knowledge;
   • attracting knowledge-intensive industries.

**Structural indicators used in EU**

- GNP per capita
- Labour productivity
- Labour participation
- Participation of older employees (age 55-64)
- Education attainment level of young people
- Price levels
- Investment by private sector
- Risk of poverty
- Long-term unemployment
- Dispersion of regional labour participation rates
- Total greenhouse gas emissions
- Energy intensity
- Volume of freight transport
Morover, the Lisbon agenda is still overloaded. Regional representatives often do not entirely know which policy areas belong under its umbrella. It is often thought that the Lisbon agenda is a synonym for innovation policy. Lisbon is so broad that it has become a meaningless expression to regional policy-makers. Besides, an often heard complaint from the regions is that they cannot cope with all the (in their opinion ridiculous) names that are being given to European Strategies. Of course, these names are the outcome of political sensitivities and games. The Bologna process, the Luxembourg Process and the Barcelona targets are just three of many examples. Regional representatives have much difficulty understanding why it takes research to understand what these processes are about. They prefer calling a spade a spade; The purpose of a policy has to be clear from its name. It is time to rethink the people side of Lisbon.

\section*{8. Path dependency}

Darwin noticed in his evolution theory: “It is not the strongest of the species that survive, nor the intelligent, but the most responsive to change” (Charles Darwin, 1859). Being responsive to change is crucial, no matter whether it applies to an individual, enterprise, the EU or a region. Some city networks-and the EU for that matter but that is another story- fail the adaptability test. This mainly has to do with the competences that have been ascribed to them. Changing the sort or amount of competences given to a city network turns out to be a difficult process. Infrastructure and mobility are often regional problems that need to be tackled by the cooperation of cities. A certain structure is created to optimally handle the situation. However, can the same structure be used to cooperate in different fields such as innovation later on? Moreover, is innovation amongst other things not already in the hands of another governing body? The latter is a big problem for especially the Groningen Assen region. It has a lot of competences concerning infrastructure and mobility. More than half of the funds go to public transport. However, there is a big desire to cooperate in other fields. This is hard to accomplish, considering the SNN (the provinces of Groningen, Fryslân and Drenthe have combined their administrative resources in the Northern Netherlands Assembly, known as SNN. In an SNN framework the North pursues joint policies and negotiates
with the national government on matters which concern the North as a whole). Conflict would arise if the Groningen Assen region would interfere with SNN business. That means that there is little room to manoeuvre. Path dependency is something that all regional networks suffer from, although to a varying extent. As we will point out below, not only the regional networks but also the national government will suffer from path dependency. We could argue that there is something we might call dual path dependency in this case.

Actors are not only willing to cooperate in order to solve problems but also because they are interested in maintaining their power and use it against the actors who have no access to the negotiations. Relating to drafting the NRPs this means that the G4 and provinces want to maintain their special position as partners in drafting the NRPs. They want to prevent other actors such as city networks to take over their precious spot in the negotiations. So there might be pressure on the national government to follow the same path in future drafts of the NRPs. Moreover, the national government is likely to cooperate with the partners which were chosen initially, because these partners are knowledgeable and experienced now. It is unlikely that the city networks will become important partners while drafting the NRPs due to this ‘dual path dependency’

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Path dependency: continuing down the same path with little room for change. An extra complicating factor occurs if two parties cannot come together because they are on different tracks.

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30 Moravcsik (1997), Warum die Europäische Union die Exekutive stärkt: Innenpolitik und internationale Kooperation, 211-269, Nomos
9. WHY UPWARD PRESSURE FROM REGIONS IS NECESSARY

Thus the collaboration of the Commission and the member states is organised through
the OMC. Important to stress here is that the Member States refused to introduce a
system of naming and shaming the Member States that perform(ed) badly as was
proposed by the High Level Group. The hostile reactions of several governments toward the idea
advanced by the Kok report 2004 of an annual publication by the Commission of “league tables” with
ranking of member states, illustrate their aversion to any kind of control, no matter how loose, in the
areas covered by the Lisbon strategy. That made the soft process a less powerful tool.

Europe needs more focus on contributing to growth and jobs. Greater ownership for this
objective on the part of the EU regions means a better performance of the EU economy as
a whole. In this respect, Lisbon needs the regions as much as the regions need Lisbon.

Both the legitimacy and the effectiveness of the OMC depend on the participation of the
widest possible range of actors in policy formulation, implementation, and
evaluation at all levels (EU, national, regional/local) in order to:
– ensure the representation of diverse perspectives
– tap the benefits of local knowledge
– hold public officials accountable for carrying out mutually agreed
Commitments.32

Boucke et al came up with 5 propositions on why regions should play an important
role in Europe. The different functions of regions are being: agents of efficiency,
watchdogs of EU policy, guardians of cultural diversity, commercial cultivators, agents of

31 Dehousse Renaud (2005), The Lisbon Strategy: the costs of non-delegation, University of Mannheim
32 Zeitlin, Jonathan et al (2002), Opening the Method of Coordination, European University Institute
33 Boucke T., Bailliel E., Vos H. (2002), Europeanisation of subnational politics: regional governments and
the European Union, European Community Studies Association
democratisation. In the coming paragraphs we will evaluate these propositions in relation to Dutch regional city networks.

**Regions as Agents of Efficiency**
Regions can govern efficiently thanks to their specific knowledge of local conditions. Therefore, one could argue that some decision-making can take place more quickly and efficiently on the smaller scale of a region. Regions also presumably have access to more specific information, are familiar with local wants and needs, and so forth. This makes them ideal for the implementation of a number of EU rules or the promotion of a favourable climate for enterprises and the like, precisely because they know the regional context so well. This is why the national government in the Netherlands has chosen regions as its partner for Peaks in the Delta. Of course, this specific advantage of local knowledge is greater in some policy fields than in others. The consistent application of the principle of subsidiarity can serve as a guide here, meaning that competencies must be exercised at the most appropriate level.

**Regions as Watchdogs of EU Policy**
It should be noted that the areas of competence that Europe has taken on in recent years are often the same ones that – sometimes more or less simultaneously – have been regionalised in many Member States. The regional level is therefore increasingly frequently the level where EU regulations are transposed and implemented. Regions must and can vouch for the implementation of EU regulations. The environmental policy is a very typical example, but this also applies to transport, education, etc. This implies two things. First, a certain monitoring of European decision-making. Regions can serve as a counterweight to possible centralising tendencies. Secondly, regions may also conclude that some tasks could be carried out more appropriately at the European level. In other words, they could give the EU impetus to take more European action where they consider it necessary. The European integration process should be regarded as a social learning process whereby the different parties involved must continually take new decisions in consultation with one another and must explicitly
decide on further steps. Regions can, by their partnership with each other, contribute to a climate of consultation and communication (itself a stimulant to European integration).

Regions as Guardians of Cultural Diversity
Regions can preserve cultural diversity. Today’s regions are often old cultural regions with a specific historical background, shared traditions, etc. In some cases, language and regional boundaries more or less coincide. This third proposition says that regions may be considered the guardians of this diversity as they apply a policy of support and promotion to protect ‘their’ culture, but simultaneously also give it new impetus (which is furthermore absolutely necessary for its continued existence).

Regions and Commercial Cultivators
Regions can ensure a good socio-economic climate. From an economic point of view – as many studies have illustrated – regions are more than just policy-takers. Regional governments generally have a number of instruments which are considered essential for the creation and preservation of a ‘favourable business climate’. Furthermore, it is quite evident that the more ‘classical’ regional competences, such as education, infrastructure and transport or spatial planning are essential for the economic success of the region. Not every region has the same competencies, but they all have a number of tools at their disposal which could be used to improve the economic performance of their territory.

Regions as Agents of Democratisation
Regions can promote democracy. The so-called gap between citizens and politicians, in particular the one between citizens and the European level, is – for many years now – highly problematical. Regions argue that since they are closer to the citizens, they can also narrow the gap between European politics and the European citizens, that they can prevent politics from disappearing into obscure networks, that they can encourage participation, etc., in other words strengthen democracy and restore legitimacy. However, it is wrong to think that small-scale government is by definition more
democratic: a lower level in geographical terms is not automatically a more democratic one, although it does offer specific possibilities.

Discussion of the impact of OMC processes on governance and policymaking arrangements leads naturally into the questions of participation and transparency. The OMC is widely regarded as a narrow, opaque, and technocratic process involving high domestic civil servants and EU officials in a closed policy network, rather than a broad, transparent process of public deliberation and decision making, open to the participation of all those with a stake in the outcome.\footnote{Zeitlin, Pochet, Magnusson (eds.) (2005), The Open Method of Coordination in Action, Peter Lang}

Although OMC processes, objectives, guidelines, and recommendations are formally authorized by Member State governments in the European Council and the sectoral formations of the Council, most of the actual work is done by unelected committees of national civil servants and Commission officials (the Employment, Social Protection, and Economic Policy Committees), whose decisions are rarely overturned. The deliberations of these committees take place behind closed doors and remain far from transparent, though all three committees have now established public websites on which they post their formal opinions and reports.

The European Parliament has no direct decision-making or oversight role in OMC processes, although it does have the right to be consulted about the employment guidelines, which are the subject of regular committee hearings, reports, and parliamentary resolutions. National parliaments are hardly involved in most countries even if they are formally consulted or informed. This is also the case in the Netherlands.

In most Member States, as recent research has shown, both media coverage and public awareness of OMC processes remain rather low, and have tended if anything to decline over time. Behind each of these limitations lies the crucial fact that in almost every Member State, NAPs are presented domestically as backward-looking activity reports to the EU and government documents “owned” by the relevant ministries rather than as
forward-looking action plans or strategic programming instruments subject to normal public scrutiny and debate.

A first key step to improving existing OMC processes would be to increase transparency and make information about them more freely available. For lack of transparency and visibility not only tarnishes the OMC’s democratic legitimacy, but also inhibits participation, integration into domestic policymaking, and mutual learning.

As Zeitlin 35 pointed out, the OMC can only become fully legitimate and effective if it mobilizes the participation of a wide range of actors within the EU at all levels – above all the local – and provides them with systematic tools to learn from one another in solving the practical problems that confront them. However, mobilizing actors which are not legitimate themselves does not contribute to the legitimating process of the LS as a whole.

Legitimacy

Now that it has become clear that decisions taken at the European level influence the lives of European citizens in many ways, legitimation by outputs is not sufficient. People no longer accept that the quality of decisions is all that matters: they want a say in policy choices that affect their quality of live and future. As a result, calls for an input-based approach have gradually intensified. Output legitimacy is also diminishing. In a democracy, a policy institution acquires and retains legitimacy either through the quality of its decision procedures or because it is able to deliver what the citizens expect. In the recent referenda, the French and Dutch citizens were asked to vote on a new set of rules and procedures. But rather than to give their opinion on the machinery, they chose to express their dissatisfaction with the output.36

It is argued by De Schutter that the input-oriented approach which has so far dominated discussions on the legitimacy of European institutions needs to be supplemented by a process-oriented one, in which interested citizens would be given a say in the post-

35 Zeitlin, Jonathan et al (2002), Opening the Method of Coordination, European University Institute
legislative, bureaucratic, phase. Unlike other approaches, this one attaches less importance to the quality of the inputs received by decision-makers (citizens’ votes, legislative mandates) than to the fairness of decision-making procedures: what matters is not that the eventual decision can be formally reconducted to the will of the citizenry, but rather that those who so wish be given a chance to express their views. Not only would such an approach, with its emphasis on transparency, openness and participation, appear to be more finely tuned to the evolution of European governance, but it could also contribute to inform the citizens of the problems that are addressed at the European level, thereby facilitating the development of public deliberation, which is as essential an element of democracy in a transnational system as it is in a national one.

The OMC has much potential to live up to both input and output legitimacy, the method doesn’t meet these expectations yet. With regard to input legitimacy the hopes for more participation, transparency and representation than in the traditional Community Method are not fulfilled. In addition, the accountability criterion is even less guaranteed in the OMC than it would be in the traditional Community Method. On the other hand, as argued by Bursens and Helsen\textsuperscript{37}, delegation and deliberation criteria enhance input legitimacy, more than the Community method, by strictly respecting the subsidiarity principle and by guaranteeing consensus-driven deliberation. With regard to output legitimacy, effectiveness and problem-solving capacity are weakly assessed but nevertheless accomplishments were made that could not have been reached under the traditional Community method.

Governance by policy networks raises a number of problems with respect to democratic accountability\textsuperscript{38}. A number of aspects of network governance point out in this direction (Benz 1998\textsuperscript{39}, Papadopoulos 2003\textsuperscript{40}):  

\textsuperscript{37} Bursens, Peter; Helsen, Sarah (2005), The OMC: A Legitimate Mode of Governance? University of Antwerp

\textsuperscript{38} Accountability can be defined as “a social relationship in which an actor feels an obligation to explain and to justify his or her conduct to some significant other.” A is accountable to B when A is obliged to inform B about A’s (past or future) actions and decisions, to justify them, and to suffer punishment in the
a) Policy networks are primarily composed of top level bureaucrats, policy experts, and interest representatives, leaving thus little room for politicians enjoying democratic legitimacy to have a significant influence in them. This is a problem because some of these actors are only indirectly accountable due to a long “chain of delegation” (administrators), or only to their peers (experts) or to limited constituencies (interest group negotiators).

b) Lack of visibility impedes accountability in primarily two respects. Firstly, decisional procedures in policy networks are often informal and opaque, as this is deemed to facilitate the achievement of compromise, and the growth of policy networks (plus of various forms of public-private partnerships) dilutes responsibility among a large number of actors (the “problem of many hands” or “paradox of shared responsibility”\(^{41}\) that can be viewed as the negative facet of horizontal and cooperative decision-making).

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\(^{41}\) Bovens (1998), The Quest for Responsibility, Cambridge University Press
c) Accountability is further inhibited by the “multi-level” aspect of governance. Not only is “Politikverflechtung” likely to lead to non-transparent decision-making mechanisms, but as it often rests on mechanisms operating along an intergovernmentalist logic and implicating sometimes multiparty executives, it can exacerbate problems of delegation and of dilution of responsibility. Deficits in accountability are not the only problems that can undermine the democratic legitimacy of policy networks. There are wider representation problems too: in order to be included in networks, actors much possess resources that are unevenly distributed. Moreover, interest selectivity is not only caused
by inequalities, but also by imperatives of governability: the reluctance to include actors who are themselves not willing to „play the game“. Groningen Assen deliberately focuses on the Dutch government solemnly and its activity in Brussels is very limited.

10. BEYOND THE NATION: REGIONAL REPRESENTATION IN BRUSSELS

The Committee of the Regions (CoR) was created in order to give a voice to regional and local authorities in the Union’s policy-making process. One of the main tasks of this institution is to let subsidiarity prosper. Moreover, it was meant to address the democratic deficit by offering regional representatives a formal role on the supranational playing field. Some scholars firmly believe that we are living in an ‘Europe of regions´ instead of a EU of merely Member States. However, one can wonder why it is then that the CoR solemnly has an advisory function in the policy-making arena. Since its establishment by the Treaty of Maastricht in 1991, the CoR has been subject to debate and scholars have wondered if the CoR could ever be effective and overcome the diversity of its membership. The presumed lack of effectiveness, mainly refers to the limited power that the Committee has to counterbalance the powers of the Commission, Council and European Parliament. Diversity of membership is also a problem. As was mentioned before, regions come in all shapes and sizes.

It could be argued that the CoR is important, even though its powers are limited. Of course, this relatively new institution needs time to develop. After all, it took the EP decades to develop into a force not to mess with in the European arena (although it still needs improvement). The CoR could become the crucial missing link between the peoples of Europe and the other EU institutions. One of the main objectives of the Committee should be to strengthen the subsidiarity principle. The French non and Dutch no to the European Constitution was a missed chance from that perspective. The draft Constitution would have empowered the CoR to bring actions before the European Court of Justice (ECJ) in the event of infringements of the subsidiarity principle. This would turn the CoR into a true guardian of subsidiarity.

Still, the principle of subsidiarity would be used in a narrow way. Not only EU institutions infringe the subsidiarity principle but also Member States. The CoR cannot
bring actions before the court if it concerns the infringement by a national government. It is also unthinkable that the CoR would get such powers and pose a threat to sovereignty to such a large extent.

To date, there are no rules whatsoever which level of power is most appropriate and the OMC set-up does not as such privilege lower decision-making levels. That is probably one reason why the process evolved as a top-down process. The European Commission, Council and Member States –as powerful players- took the lead at the cost of the sub-national actors. This has led to the current top-down logic in the OMC process.

The subsidiarity principle is, also neutral about the direction to take: decentralisation or centralisation. There are two good reasons to assign competences to the most decentralised level of decision-making. First, the distance between decision-makers and voters is relatively small. This is important for ensuring that decision-makers are accountable for their actions. Second, decision-makers can incorporate country/region-specific preferences or institutions in their actions relatively easily. These specific policies may be preferable over a unifying as well as restrictive framework. Similarly, there are two good reasons for delegating powers to the EU level or for sharing powers between the Community and its member states. The first derives from cross-border externalities. A policy change in one member state may have positive (R&D) or negative (pollution) effects on other member states. The second reason derives from economies of scale.

The Committee of the Regions believes that Member States and the Community must take every opportunity to involve local and regional governments in the implementation of the Lisbon goals. Therefore, the CoR is committed to monitor a, for the remainder of the revised Lisbon Strategy's 2005-2008 governance cycle, the involvement of the regional and local levels in the governance process of the growth and jobs strategy (National Reform Programmes) and of the Cohesion Policy (National Strategic Reference Frameworks and operational programmes).
10.1 Policy Learning: an important feature of the OMC

*If you have knowledge, let others light their candles in it* - M. Fuller.

National officials have to be able to identify the strengths and weaknesses of their action plans (NRPs), by comparing their results to those of their peers. *This systematic search for comparisons and knowledge is undoubtedly the most innovative element of the Lisbon strategy: governmental structures are often prisoners of traditions anchored in their history and, except for during periods of crisis, rarely seek to learn from the experience of other actors*\(^2\).

An important argument for a soft coordination method such as the OMC is the potential for policy learning, both bottom-up and cross-nationally. The idea is that through the process of participation, exchanging information and peer reviews, policy learning is stimulated. A problem in obtaining the optimal results for learning is that there is a tension between diversity and learning on the one hand and targeting for convergence and EU-wide results on the other hand.

Policy learning should be organised as a voluntary process. The proposals to renew the Lisbon strategy have not effectively strengthened the functioning of the OMC. According to Ian Begg\(^3\), there are at least two reasons to think this. The first reason is that politicians will refuse to commit themselves to targets (or deadlines) that are hard to reach. If they are to be held personally responsible for reaching targets, then it is to be expected that the national targets will not be very ambitious. Moreover, in reference to city networks one could say that it is often not entirely clear what these targets are. A second reason why the changes in the governance method could be ineffective is that voters may still perceive the targets as ‘something of Brussels’ and that the political consequences for the government and for Mr or Ms Lisbon will therefore be small. Political accountability is a huge problem for the EU and the LS in particular.


\(^3\) Ian Begg (2005), Do we really need a Lisbon Strategy, Intereconomics
The Committee of the Regions (CoR) launched a call for expression of interest to European local and regional authorities. The CoR will establish a network of fifty regions and local authorities to monitor their progress towards implementing the Lisbon Strategy. The deadline for expressing interest is 27 May 2006. Local and regional authorities will be selected on a 'first-come, first-served' basis. (CoR, May 2006). A first-come first-served basis is unwise for several reasons. It is quite flabbergasting how limited the possibilities are to join the club. It seems that CoR favours regions that are already part of the Brussels circuit above other regions. After all, it is very likely that regional representatives that are active in Brussels hear about the Lisbon monitor first, apply for it first and therefore are served first. Equal representation is absolutely not guaranteed in this way. Strangely enough, the CoR continues to close its eyes for one of its main shortcomings: diversity and inequality of its members. A vivid example is provided by the Lisbon monitor. Three municipalities and the North of the Netherlands are represented in it. Representation on the principle of first-come, first-served leaves us with the following disproportionate picture:

At least two additional points of criticism can be made simply by looking at the picture. One, the entire north of the Netherlands is difficult to compare with 3 cities. Two, the monitor excludes large parts of the country.
Positive side

If other regions look over the shoulders of their colleagues that do take part in the monitoring programme, they might become more active and put more pressure on their national government to get a bigger voice in the Lisbon process. Initially, they will get a better understanding of the LS. Another bright spot is of course that the monitor can lead to more formal influence for regions through the monitor. A schematic overview can be found below:

![Schematic overview](image)

Source: Committee of the Regions

The monitor will probably not be the turning point that puts regions into the position of process leaders of Lisbon. It is yet another contribution that will make the European Institutions and regions themselves review and reconsider the position of regions in the process.

The aim of the new CoR network is to increase local and regional authorities' ownership of the Lisbon Agenda. Besides monitoring the participant's own progress towards the Lisbon Agenda, the network will also be used as a basis for establishing a so called "Scoreboard". This Scoreboard will compare the progress, difficulties and needs of regions and cities in relation to the achievement of the Lisbon Strategy's objectives.

The CoR's Lisbon Monitoring Platform was launched on 1 March 2006 and the aims of this platform can be summarised as follows:

- to form a close community to support the partnership for growth and jobs by facilitating the exchange of information between local and regional policy makers
to voice the identified challenges and obstacles and find realistic and valid solutions.

**Eurocities**

Not only are there problems concerned with the membership of the CoR. More importantly perhaps is that a system of policy learning was already in place, at least for cities. Eurocities has developed a platform for the exchange of information that overlaps with the Lisbon objectives to a great extent. One cannot help getting the feeling that the raison d'être of CoR—which has been questioned continuously—still is doubt worthy if the best work it delivers is more or less copied from other organizations.

Eurocities is the network of major European cities. Founded in 1986, the network brings together the local governments of more than 130 large cities in over 30 European countries. Eurocities provides a platform for its member cities to share knowledge and ideas, to exchange experiences, to analyse common problems and develop innovative solutions, through a wide range of Forums, Working Groups, Projects, activities and events.

Eurocities is not an official European institution but nevertheless a popular ally among European cities. Joining working groups and projects is free of obligations. Therefore, cities only join forums that are (most) relevant to them. The organization is created by and for the cities. The problems that cities are struggling with reach Brussels from the bottom-up.

The problem that Dutch regional city networks have with Eurocities and the CoR is that their access to these organizations is limited. The Dutch delegation of CoR consists of 6 representatives from the provinces and 6 from the municipalities (so no city networks). The first-come first-served principle of the monitor has also prevented the city networks from joining a *policy learning environment*. Membership of Eurocities is also a hot issue amongst city networks, but access to this organization is also limited. To be accepted as a member of Eurocities, a city should be an important regional centre with an
international dimension, usually having a population of more than 250,000 inhabitants. Local authorities and organisations that are not eligible for Full or Associate Membership, may apply to become Associated Partners. This status gives them the possibility to participate in the activities of one or more specific Eurocities forums, and related working groups. Network City Twente became an associated partner in 2006 after some blood, sweat and tears.

Nevertheless, there is a strong call from the regional city networks for policy learning across boarders. The output from the interviews show us that they are quite unfamiliar with the European Urban Knowledge Network. The EUKN e-library currently provides knowledge on six urban policy areas: social inclusion & integration; housing; transport & infrastructure; urban environment; economy, knowledge & employment; security & crime prevention. As the name already shows it is an urban network. Cities within the networks sometimes take part in the EUKN network, but policy learning does not take place at the level of regional city networks.

*Other regional players*

Local and regional authorities are often responsible for making sure EU laws are properly implemented and their experience is vital in drawing up new legislation. For over half a century they have had their own lobby organisation in Brussels - the Council of European Municipalities and Regions. According to some the fundamental difference between the CEMR and the CoR is that the latter costs taxpayers €37 million a year to run and the Commission has a treaty-bound obligation not to ignore it, while the former is a voluntary body financed by local authorities. However, there are more differences. In the Dutch case for example, CEMR only represents the provinces and Association of Netherlands Municipalities and is not directly related to city networks. The Commission des Villes brings together smaller cities and towns and is also not suited to represent city networks.

The G4 (4 biggest municipalities in the Netherlands: Amsterdam, Rotterdam, The Hague and Utrecht, which also form the engines of the Randstad region) and provinces have been the most influential partners for the national government during the draft of the
National Reform Programme 2005-2008. The G4 stepped up and lobbied to become the government’s logical and natural partner.

Within all of these groups, Commission bureaucrats and regional representatives consult routinely on all areas of regional interest. In interviews, regional representatives noted that their access to the Commission is in many ways superior to their access to their own central governments. Local and regional governmental authorities in Sweden have been producing regional or local action plans (RAPs and LAPs), which get some funding from the Commission in this regard. None of the four Dutch city networks has an official Lisbon Strategy LAP. They do have policy documents on innovation, growth etc. Regional players are working on the Lisbon goals, but might not even know it.

We can conclude that regional city networks do not really fit in any of the categories for policy learning platforms. They do try to learn from each other nationally—although not on a permanent basis—and would like to look across boarders. We can conclude that the OMC feature of policy learning is missing at the level of regional city networks. This is in line with Zeitlin’s conclusion which states that Member States do not appear to have made much tangible progress in drawing on cross-national learning at the level of local practice.

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CONCLUSIONS AND RECOMMENDATIONS

The future of city networks and the Lisbon Strategy.

We are all localists now. Centralism has come to be synonymous with bureaucracy, rigidity and control freakery. These vices are contrasted with the virtues of local and regional diversity, creativity and innovativeness. The beauty of devolved government is that it can do things differently. 45 Unfortunately, devolved government does not seem to bring us much improvement in the case of city networks.

What will be the role of city networks in the years to come? As pointed out earlier, city networks could be logical partners in drafting National Reform Programmes. City networks do not have any formal role in co-decision on drafting the NRPs. They do not even have a formal consulting task. Moreover, path dependency of the national government (referring to choice of partners that was made by the national government during the first-time draft) and the city networks themselves (limited scope of their competences and room to manoeuvre) limits the chance of the Dutch networks to truly flourish as an important player in the Lisbon arena.

Moreover, city networks bring along a genuine legitimacy problem. In general, their actions are politically not accountable. Therefore they cannot contribute to democratizing the Lisbon process and they can hardly make a difference in bringing the citizens closer to the Strategy. In order to make a true contribution, city networks will have to work on their own legitimacy and transparency.

Transparency has always been a problem in European affairs - and national affairs for that matter - but the transparency issue is very difficult to solve in the case of the LS. Competences, information and policy-making is dispersed and fragmented throughout many documents and arenas. It is not clear-cut who does what and for what purpose. The whole Lisbon Strategy has too many angles to make it transparent and well-organized.

A few years ago everyone agreed that the Lisbon agenda was overloaded. These days, it is still ill-structured and competences are shared over an enormous range of actors. Therefore a bottom-up logic of the Lisbon Strategy does not automatically lead to a more democratic outcome. The often heard claim that the inclusion of widest range of actors is necessary to make the strategy more democratic also has its downside.

**Enhancing and enforcing the subsidiarity principle**

One important issue concerning European affairs in general and the Lisbon Strategy specifically is subsidiarity. The Committee of the Regions should become more active and powerful in this field. Lobbying for the power to enforce subsidiarity for regions-as prescribed by the Draft Constitutional Treaty- is an absolute key to the Committee’s success. As was made clear in this paper, the CoR plays a dubious and probably ineffective role in the Lisbon process. The Lisbon Monitoring Platform does not sufficiently provide a solution nor acts as a sounding board for regions or city networks. The monitor seems much too static. Especially policy learning should be a voluntary process and therefore organizations such as Eurocities are probably more suited as a learning platform. However, the CoR of course has a *formal* role. This formal role should be exploited to the maximum. If the CoR would have the power to *police* the subsidiarity principle, it will become a true partner for all regions and not just for the ones which have a seat in it.

It is a problem for city networks that they do not fit in any of the existing categories of authority that exist in Brussels. Policy learning is impossible if a relevant network/organisation that is open for such newcomers is non-present.

To conclude, the Lisbon Agenda is still too overloaded for the common man to oversee. It takes an EU expert to fully grasp the strategy. Shared hands, complexity and too many topic areas make the strategy *too much of nothing*. That does not mean that the strategy isn't a good initiative, but democratizing it seems a mission impossible.
APPENDIX I – THE INTERVIEW

Basic questions:

Subquestion 1
What role do regional networks have in co-deciding on the Lisbon Strategy and National Action Plans?

- Does the Lisbon Strategy appeal to regional city networks?
- Which layer of governance is most important—after the national government—while drafting National Reform Programmes? (municipalities, G4, provinces, city networks or something else)
- How does the national government try to include you in drafting NRPs?
- How do you try to influence the drafting of NRPs as a city network?
- Does your city network come up with regional action plans in the framework of the Lisbon Strategy?
- Are there formal procedures/scenarios for your contribution to the drafting of NRPs.

Subquestion 2
How do their networks for influencing the Lisbon agenda and National Action Plans look?

- Do you seek alliances or cooperation with other organisations if you try to influence the drafting of NRPs?

Of course regions are interested in funds for investments. Another aspect of the Lisbon Strategy is policy learning. Learn from each other for instance about how to deal with certain rural problems or execute a certain project efficiently.

- Does policy learning take place by the exchange of information?
Does the national government stimulate policy learning in the framework of the Lisbon Strategy?

**Subquestion 3**

Are there noticeable differences in the way they try to influence the Lisbon agenda and National Action Plans? The latter refers to the availability of knowledge on European Affairs in the local and regional arena.

- Are there regional networks that are being excluded from the drafting of NRPs?
- Are there noticeable differences in the way regional city networks try to influence the drafting of NRPs?

**Complimentary questions:**

Evaluation and monitoring takes place after the start-up phase.

- Who are responsible for monitoring and evaluating projects in the framework of the Lisbon Strategy?

Many people thought it was important to give the Lisbon Strategy a ‘face’. A Mr. or Mrs. Lisbon on the European and national level.

- Do you have such a person in your regional city network?

**Normative subquestion**

- Should regional and local actors in Europe become more involved, and be encouraged to become involved, in delivering the Lisbon Strategy?

This normative question will not play a role during the interviews considering all parties are biased by their position as representative of a ministry/regional city network/organization.
5. The subsidiarity principle is intended to ensure that decisions are taken as closely as possible to the citizen and that constant checks are made as to whether action at Community level is justified in the light of the possibilities available at lower levels. Specifically, it is the principle whereby the Union does not take action (except in the areas which fall within its exclusive competence) unless it is more effective than action taken at lower levels. It is closely bound up with the principles of proportionality and necessity, which require that any action by the Union should not go beyond what is necessary to achieve the objectives of the Treaty.
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38. Accountability can be defined as “a social relationship in which an actor feels an obligation to explain and to justify his or her conduct to some significant other.” A is accountable to B when A is obliged to inform B about A’s (past or future)
actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct” (Schedler, A. (1999), Conceptualizing Accountability, in Self-Restraining State, Boulder, Lynne Rienner Publications


43. Ian Begg (2005), Do we really need a Lisbon Strategy, Intereconomics


SPECIAL THANKS TO ALL THE OFFICIAL REPRESENTATIVES:

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(Tripool Zuid-Limburg) Mr. Jan Weeling
The Lisbon Agenda is still too overloaded for the common man to oversee. It takes an EU expert to fully grasp the strategy. Shared hands, complexity and too many topic areas make the strategy too much of nothing. That does not mean that the strategy isn’t a good initiative, but democratizing it seems a mission impossible.

This thesis digs into the role of city networks in the drafting process of National Reform Programmes, aimed at making the EU the most competitive economy in the world. Dutch cities are not big enough to position themselves as an economic core (the place to be) on a European or even global scale. Therefore, they seek alliances with other cities in order to put themselves on the map.

City networks could be logical partners for the European institutions and national government in this process. After all, city networks have knowledge of local labour market conditions; delivery of local education and training facilities; responsibility for quality of transport links and other communications facilities; stimulating local and inward investment; enhancing local living/working environments etcetera. At present, city networks do not have any formal role in co-deciding on drafting the NRPs. They do not even have a formal consulting task. Moreover, path dependency of the national government (referring to choice of partners that was made by the national government during the first-time draft) and the city networks themselves (limited scope of their competences and room to manoeuvre) limits the chance of the Dutch city networks to truly flourish as an important player in the Lisbon arena.

Moreover, city networks bring along a genuine legitimacy problem. In general, their actions are politically not accountable. Therefore they cannot contribute to democratizing the Lisbon process and they can hardly make a difference in bringing the citizens closer to the Strategy. A few years ago everyone agreed that the Lisbon agenda was overloaded. These days, it is still ill-structured and competences are shared over an enormous range of actors. Therefore a bottom-up logic of the Lisbon Strategy does not automatically lead to a more democratic outcome. The often heard claim that the inclusion of widest range of actors is necessary to make the strategy more democratic also has its downside.
It is a problem for city networks that they do not fit in any of the existing categories of authority that exist in Brussels. Policy learning is impossible if a relevant network/organisation that is open for such newcomers is non-present.